



General Assembly

January Session, 2013

***Raised Bill No. 1114***

LCO No. 4417



Referred to Committee on FINANCE, REVENUE AND  
BONDING

Introduced by:  
(FIN)

***AN ACT CONCERNING THE GOVERNING BOARD OF THE HARBOR  
POINT DISTRICT AND AN EXPANSION OF TAX INCREMENTAL  
FINANCING.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1       Section 1. Subdivision (3) of subsection (b) of section 1 of special act  
2       07-6 is amended to read as follows (*Effective July 1, 2013*):

3       (3) At the meeting called for the purpose of establishing the district  
4       as provided in subdivision (1) of this subsection, the voters shall fix the  
5       date of the annual meeting of the voters for the election of district  
6       officers and the transaction of such other business as may properly  
7       come before such annual meeting. At such organization meeting of the  
8       district, the voters shall elect a president, vice-president, five directors,  
9       a clerk and a treasurer to serve until the first annual meeting for the  
10      election of officers and thereafter such officers shall be elected  
11      annually, provided, upon its organization and at all times thereafter,  
12      one director may be appointed by the mayor of the city of Stamford. At  
13      the first annual meeting following July 1, 2013, the directors not

14 appointed by said mayor shall be elected to serve for one, two, three or  
15 four years, respectively, and thereafter such directors, as each term  
16 ends, shall be elected to serve for four-year terms. Not less than three  
17 members of the board of directors shall be residents of the state of  
18 Connecticut. Subject to the provisions of subdivision (4) of this  
19 subsection, not fewer than fifteen voters of the district shall constitute  
20 a quorum for the transaction of business at such organizational  
21 meeting of the district; and if fifteen voters are not present at such  
22 meeting, the mayor may adjourn such meeting from time to time, until  
23 at least fifteen voters are present. Special meetings of the district may  
24 be called on the application of ten per cent of the total number of  
25 voters of such district or twenty of the voters of such district,  
26 whichever is less, or by the president or any three directors upon  
27 giving notice as provided in this subdivision. Any special meeting  
28 called on the application of the voters shall be held not later than  
29 twenty-one days after receiving such application. Notice of the holding  
30 of the annual meeting and all special meetings shall be given by  
31 publication of a notice of such meetings in a newspaper having a  
32 general circulation in such district at least ten days before the day of  
33 such meetings, signed by the president or any three directors, which  
34 notice shall designate the time and place of such meetings and the  
35 business to be transacted thereat. Two hundred or more persons or ten  
36 per cent of the total number of voters of such district, whichever is less,  
37 may petition the clerk of such district, in writing, at least twenty-four  
38 hours prior to any such meeting, requesting that any item or items on  
39 the call of such meeting be submitted to the voters not less than seven  
40 or more than fourteen days thereafter, on a day to be set by the district  
41 meeting or, if the district meeting does not set a date, by the board of  
42 directors, or a vote by paper ballots or by a "yes" or "no" vote on the  
43 voting machines, during the hours between twelve o'clock noon and  
44 eight o'clock p.m., except that any district may, by vote of its board of  
45 directors, provide for an earlier hour for opening the polls but not  
46 earlier than six o'clock a.m. The paper ballots or voting machine ballot  
47 labels, as the case may be, shall be provided by the clerk. When such a

48 petition has been filed with the clerk, the president, after completion of  
49 other business and after reasonable discussion shall adjourn such  
50 meeting and order such vote on such item or items in accordance with  
51 the petition; and any item so voted may be rescinded in the same  
52 manner. The clerk shall phrase such item or items in a form suitable for  
53 printing on such paper ballots or ballot labels. Subject to the provisions  
54 of subdivision (4) of this subsection, not fewer than fifteen voters of the  
55 district shall constitute a quorum for the transaction of business at any  
56 meeting of the district; and if fifteen voters are not present at such  
57 meeting, the president of the district or, in such president's absence,  
58 the vice-president, may adjourn such meeting from time to time, until  
59 at least fifteen voters are present; and all meetings of the district where  
60 a quorum is present may be adjourned from time to time by a vote of a  
61 majority of the voters voting on the question. At any annual or special  
62 meeting, the voters may, by a majority vote of those present,  
63 discontinue any purposes for which the district is established or  
64 undertake any additional purpose or purposes enumerated in  
65 subdivision (2) of this subsection.

66 Sec. 2. (NEW) (*Effective July 1, 2013*) (a) A municipality undertaking  
67 a redevelopment project pursuant to chapter 130 of the general  
68 statutes, a development project pursuant to chapter 132 of the general  
69 statutes or a project pursuant to section 32-23zz of the general statutes,  
70 as amended by this act, may, upon approval of the financing plan for  
71 such project by the Secretary of the Office of Policy and Management  
72 and the Commissioner of Economic and Community Development  
73 pursuant to this section, have such project financed, in whole or in  
74 part, by the incremental revenues from the personal income tax and  
75 sales and use taxes attributable to such project, as provided in section 2  
76 of this act.

77 (b) To apply for approval of such project, a municipality shall  
78 prepare a plan for the area of the project, and submit such plan to said  
79 secretary and commissioner. Such plan shall be in addition to any plan  
80 required by chapter 130 or 132 of the general statutes, or section 32-

81 23zz of the general statutes, as amended by this act, and shall include,  
82 but need not be limited to:

83 (1) A survey of the measurements of the boundaries of the area  
84 wherein such project is located;

85 (2) Details of all infrastructure improvement plans for the project  
86 area, to the extent reasonably anticipated upon the date of submission  
87 of such plan, and the estimated costs of the infrastructure  
88 improvements;

89 (3) The most recent assessed value of the real property located  
90 within the project area, and an estimate of the assessed value of such  
91 real property upon completion of such project;

92 (4) The total number of persons currently employed within the  
93 project area of the project, with separate listings of full-time, part-time  
94 and temporary positions, and an estimate of the total number of such  
95 persons and positions upon completion of such project;

96 (5) The number of persons estimated to be employed for purposes  
97 of implementing such project, with separate listings of full-time, part-  
98 time and temporary positions;

99 (6) A list of the public investments that have been made in the  
100 project area, and that will be necessary in the future to support  
101 infrastructure or other improvements;

102 (7) Estimates and a description of the sources of funds to pay for  
103 project costs, including the (A) type and terms of bonds, notes or other  
104 obligations of the state or of the municipality that may be necessary,  
105 (B) type and source of other public funds, and (C) type and source of  
106 any private funds;

107 (8) Details of any financial commitments currently in place to pay  
108 for project costs;

109       (9) Details of any private development project planned for the  
110       project area, and whether such private development project anticipates  
111       using public funds, if known;

112       (10) A list of all development subsidies that any business located in  
113       the project area has received and the entity supplying such subsidies, if  
114       known;

115       (11) A cost-benefit analysis of such project, including a study of the  
116       fiscal impact of such project on the state;

117       (12) A market study for the project area;

118       (13) A list of the community and economic benefits expected to  
119       result from such project; and

120       (14) Certification by the chief elected official of the applying  
121       municipality that the plan is accurate as of the date of submission.

122       (c) To apply for a specified portion of the sales and use taxes  
123       generated by such project to be used as part of such project's financing  
124       plan, a municipality shall submit to the Secretary of the Office of Policy  
125       and Management and the Commissioner of Economic and Community  
126       Development, in addition to the plan described in subsection (b) of this  
127       section, the following information:

128       (1) The amount of sales and use tax revenues received by the  
129       Department of Revenue Services from all businesses within the  
130       boundaries of the project area in the base year, where "base year"  
131       means the average of the five years preceding the date of submittal of  
132       this information; and

133       (2) An estimate of the increase in the amount of sales tax revenue  
134       from existing and new businesses within the completed project area,  
135       and the estimated dates of such increase.

136       (d) To apply for a specified portion of the personal income tax

137 withheld by employers pursuant to section 12-707 of the general  
138 statutes, located in the project area, that is to be used as part of such  
139 project's financing plan, a municipality shall submit to the Secretary of  
140 the Office of Policy and Management and the Commissioner of  
141 Economic and Community Development, in addition to the plan  
142 described in subsection (b) of this section, the following information:

143 (1) The gross wages, amount of federal personal income tax  
144 withheld, and amount of personal income tax withheld by employers  
145 within the boundaries of the project area in the base year, where "base  
146 year" means the average of the five years preceding the date of  
147 submittal of this information;

148 (2) An estimate of the number of new jobs, listing the number of  
149 full-time, part-time and temporary positions to be created in the  
150 completed project area, and the increase in the amount of withholding  
151 taxes paid to the state by employers on behalf of new and existing  
152 employees within the completed project area, and the estimated dates  
153 of such increase; and

154 (3) An analysis of the impact of such project on employment  
155 patterns, including whether certain businesses will relocate within  
156 such project area, and whether completion of the project will reduce  
157 employment at any other site, within or outside the state.

158 (e) (1) Either the Secretary of the Office of Policy and Management  
159 or the Commissioner of Economic and Community Development may  
160 request further information from any municipality applying for  
161 approval under this section. Both the secretary and the commissioner  
162 shall approve or disapprove not later than ninety days after the date of  
163 submission of the completed application, provided the municipality,  
164 the secretary and the commissioner may agree to extend this deadline  
165 if necessary for complete review and consideration of such project.

166 (2) Upon approval of such municipality's project, the secretary and  
167 the commissioner shall, together with representatives from such

168 municipality, develop a plan of development or redevelopment for the  
169 project area, and a proposal for financing such plan, subject to the  
170 limitations on the use of incremental tax revenues under section 2 of  
171 this act and section 32-23zz of the general statutes, as amended by this  
172 act.

173       Sec. 3. (NEW) (*Effective July 1, 2013*) (a) For purposes of this section,  
174 "baseline year" means the calendar year during which a project was  
175 approved as provided in section 1 of this act.

176       (b) If the Secretary of the Office of Policy and Management and the  
177 Commissioner of Economic and Community Development approve  
178 the plans for a project as required pursuant to section 1 of this act, such  
179 project may be financed by incremental revenues from withholding  
180 taxes under the personal income tax and sales and use taxes  
181 attributable to such project, provided the amount of such incremental  
182 tax revenues available for such project in any one year shall not exceed  
183 seventy-five per cent of such incremental tax revenues. Twenty-five  
184 per cent of such incremental tax revenues shall be retained by the state.  
185 The municipality shall submit an annual report to the commissioner  
186 and secretary updating the plans required pursuant to section 1 of this  
187 act and providing such other information as the commissioner and  
188 secretary may require.

189       (c) With respect to sales and use taxes generated by businesses  
190 located within the project area: (1) The incremental increase in sales  
191 and use tax revenue for a business located within the project area shall  
192 be measured by subtracting the sales taxes paid in the baseline year  
193 from the sales taxes generated by such business during each year  
194 thereafter; and (2) the incremental increase in sales and use tax revenue  
195 for a business either formed or relocating within the project area shall  
196 be measured by subtracting the sales and use tax paid by such  
197 business during the last full calendar year prior to such formation or  
198 relocation, from the sales and use taxes generated by such business  
199 during each year thereafter.

200 (d) With respect to withholding taxes remitted by businesses located  
201 within the project area pursuant to section 12-707 of the general  
202 statutes: (1) The incremental increase in withholding taxes remitted by  
203 a business located within the project area shall be measured by  
204 subtracting the withholding taxes remitted by such business during  
205 the baseline year from the withholding taxes remitted by such business  
206 during each year thereafter; and (2) the incremental increase in  
207 withholding taxes remitted by a business either formed or relocating  
208 within the project area shall be measured by subtracting the  
209 withholding taxes remitted by such business during the last full  
210 calendar year prior to such formation or relocation, from the  
211 withholding taxes remitted by such business during each year  
212 thereafter.

213 (e) Notwithstanding the provisions of subsections (c) and (d) of this  
214 section, if a project is being financed pursuant to section 32-23zz of the  
215 general statutes, as amended by this act, the provisions of said section  
216 32-23zz regarding the calculation for incremental revenues from  
217 withholding taxes under the personal income tax and sales and use  
218 taxes attributable to such project shall control.

219 Sec. 4. Section 32-23zz of the general statutes is repealed and the  
220 following is substituted in lieu thereof (*Effective July 1, 2013*):

221 (a) For the purpose of assisting (1) any information technology  
222 project, as defined in subsection (dd) of section 32-23d, which is  
223 located in an eligible municipality, as defined in subdivision (12) of  
224 subsection (a) of section 32-9t, [or] (2) any remediation project, as  
225 defined in subsection (gg) of section 32-23d, or (3) any project for  
226 redevelopment, as provided in chapter 130, or any municipal  
227 development projects, as provided in chapter 132, Connecticut  
228 Innovations, Incorporated, may, upon a resolution of the legislative  
229 body of a municipality, issue and administer bonds which are payable  
230 solely or in part from and secured by: (A) A pledge of and lien upon  
231 any and all of the income, proceeds, revenues and property of such a



232 project, including the proceeds of grants, loans, advances or  
233 contributions from the federal government, the state or any other  
234 source, including financial assistance furnished by the municipality or  
235 any other public body, (B) taxes or payments or grants in lieu of taxes  
236 allocated to and payable into a special fund of Connecticut  
237 Innovations, Incorporated, pursuant to the provisions of subsection (b)  
238 of this section, or (C) any combination of the foregoing. Any such  
239 bonds of Connecticut Innovations, Incorporated, shall mature at such  
240 time or times not exceeding thirty years from their date of issuance  
241 and shall be subject to the general terms and provisions of law  
242 applicable to the issuance of bonds by Connecticut Innovations,  
243 Incorporated, except that such bonds shall be issued without a special  
244 capital reserve fund as provided in subsection (b) of section 32-23j and,  
245 for purposes of section 32-23f, only the approval of the board of  
246 directors of the corporation shall be required for the issuance and sale  
247 of such bonds. Any pledge made by the municipality or Connecticut  
248 Innovations, Incorporated, for bonds issued as provided in this section  
249 shall be valid and binding from the time when the pledge is made, and  
250 revenues and other receipts, funds or moneys so pledged and  
251 thereafter received by the municipality or Connecticut Innovations,  
252 Incorporated, shall be subject to the lien of such pledge without any  
253 physical delivery thereof or further act. The lien of such pledge shall be  
254 valid and binding against all parties having claims of any kind in tort,  
255 contract or otherwise against the municipality or Connecticut  
256 Innovations, Incorporated, even if the parties have no notice of such  
257 lien. Recording of the resolution or any other instrument by which  
258 such a pledge is created shall not be required. In connection with any  
259 such assignment of taxes or payments in lieu of taxes, Connecticut  
260 Innovations, Incorporated, may, if the resolution so provides, exercise  
261 the rights provided for in section 12-195h of an assignee for  
262 consideration of any lien filed to secure the payment of such taxes or  
263 payments in lieu of taxes. All expenses incurred in providing such  
264 assistance may be treated as project costs.

265 (b) (1) Any proceedings authorizing the issuance of bonds under  
266 this section may contain a provision that taxes or a specified portion  
267 thereof, if any, identified in such authorizing proceedings and levied  
268 upon taxable real or personal property, [or both] taxable sales, taxable  
269 personal income withheld and remitted by an employer pursuant to  
270 section 12-707, or any combination thereof, in a project each year, or  
271 payments or grants in lieu of such taxes or a specified portion thereof,  
272 by or for the benefit of any one or more municipalities, districts or  
273 other public taxing agencies, as the case may be, shall be divided as  
274 follows:

275 ~~[(1)]~~ (A) (i) In each fiscal year that portion of the taxes or payments  
276 or grants in lieu of taxes which would be produced by applying the  
277 then current tax rate of each of the taxing agencies to the total sum of  
278 the assessed value of the taxable property in the project on the date of  
279 such authorizing proceedings, adjusted in the case of grants in lieu of  
280 taxes to reflect the applicable statutory rate of reimbursement, shall be  
281 allocated to and, when collected, shall be paid into the funds of the  
282 respective taxing agencies in the same manner as taxes by or for said  
283 taxing agencies on all other property are paid; and ~~[(2)]~~ (ii) that portion  
284 of the assessed taxes or the payments or grants in lieu of taxes, or both,  
285 each fiscal year in excess of the amount referred to in [subdivision (1)  
286 of this subsection] subparagraph (i)(A) of this subdivision shall be  
287 allocated to and when collected shall be paid into a special fund of  
288 Connecticut Innovations, Incorporated, to be used in each fiscal year,  
289 in the discretion of Connecticut Innovations, Incorporated, to pay the  
290 principal of and interest due in such fiscal year on bonds issued by  
291 Connecticut Innovations, Incorporated, to finance, refinance or  
292 otherwise assist such project, to purchase bonds issued for such  
293 project, or to reimburse the provider of or reimbursement party with  
294 respect to any guarantee, letter of credit, policy of bond insurance,  
295 funds deposited in a debt service reserve fund, funds deposited as  
296 capitalized interest or other credit enhancement device used to secure  
297 payment of debt service on any bonds issued by Connecticut

298 Innovations, Incorporated, to finance, refinance or otherwise assist  
299 such project, to the extent of any payments of debt service made  
300 therefrom; [.]

301 (B) (i) In each fiscal year that portion of the sales tax which would be  
302 produced by applying the sales tax revenues generated by the project  
303 in the calendar year prior to the date of such authorizing proceeding  
304 shall be allocated to and, when collected by the Department of  
305 Revenue Services, shall be paid into the General Fund; and (ii) that  
306 portion of the sales tax revenues each fiscal year in excess of the  
307 amount referred to in subparagraph (B)(i) of this subdivision shall be  
308 allocated to and, when collected by the Department of Revenue  
309 Services, shall be paid into a special fund of the Connecticut  
310 Development Authority to be used in each fiscal year, in the discretion  
311 of the Connecticut Development Authority, to pay the principal of and  
312 interest due in such fiscal year on bonds issued by the Connecticut  
313 Development Authority to finance, refinance or otherwise assist such  
314 project, to purchase bonds issued for such project or to reimburse the  
315 provider of or reimbursement party with respect to any guarantee,  
316 letter of credit, policy of bond insurance, funds deposited in a debt  
317 service reserve fund, funds deposited as capitalized interest or other  
318 credit enhancement device used to secure payment of debt service on  
319 any bonds issued by the Connecticut Development Authority to  
320 finance, refinance or otherwise assist such project, to the extent of any  
321 payments of debt service made therefrom;

322 (C) (i) In each fiscal year that portion of the personal income tax  
323 withheld pursuant to section 12-707 which would be produced by  
324 applying the withholding tax remitted by companies affected by the  
325 project in the calendar year prior to the date of such authorizing  
326 proceeding shall be allocated to and, when collected by the  
327 Department of Revenue Services, shall be paid into the General Fund;  
328 and (ii) that portion of the personal income tax withheld pursuant to  
329 section 12-707 and remitted each fiscal year in excess of the amount  
330 referred to in subparagraph (C)(i) of this subdivision shall be allocated

331 to and, when collected by the Department of Revenue Services, shall be  
332 paid into a special fund of the Connecticut Development Authority to  
333 be used in each fiscal year, in the discretion of the Connecticut  
334 Development Authority, to pay the principal of and interest due in  
335 such fiscal year on bonds issued by the Connecticut Development  
336 Authority to finance, refinance or otherwise assist such project, to  
337 purchase bonds issued for such project or to reimburse the provider of  
338 or reimbursement party with respect to any guarantee, letter of credit,  
339 policy of bond insurance, funds deposited in a debt service reserve  
340 fund, funds deposited as capitalized interest or other credit  
341 enhancement device used to secure payment of debt service on any  
342 bonds issued by the Connecticut Development Authority to finance,  
343 refinance or otherwise assist such project, to the extent of any  
344 payments of debt service made therefrom.

345 (2) Unless and until the total assessed valuation of the taxable  
346 property in a project exceeds the total assessed value of the taxable  
347 property in such project as shown by the last assessment list referred to  
348 in subparagraph (A) of subdivision (1) of this subsection, all of the  
349 taxes levied and collected and all of the payments or grants in lieu of  
350 taxes due and collected upon the taxable property, taxable sales or  
351 taxable personal income in such project shall be paid into the funds of  
352 the respective taxing agencies. When such bonds and interest thereof,  
353 and such debt service reimbursement to the provider of or  
354 reimbursement party with respect to such credit enhancement, have  
355 been paid in full, all moneys thereafter received from taxes or  
356 payments or grants in lieu of taxes upon the taxable property, taxable  
357 sales or taxable personal income in such development project shall be  
358 paid into the funds of the respective taxing agencies in the same  
359 manner as taxes on all other property, sales or personal income are  
360 paid. The total amount of bonds issued pursuant to this section which  
361 are payable from grants in lieu of taxes payable by the state shall not  
362 exceed an amount of bonds, the debt service on which in any state  
363 fiscal year is, in total, equal to one million dollars.

364 (c) The corporation may make grants or provide loans or other  
365 forms of financial assistance from the proceeds of special or general  
366 obligation notes or bonds of the corporation issued without the  
367 security of a special capital reserve fund within the meaning of  
368 subsection (b) of section 32-23j, which bonds are payable from and  
369 secured by, in whole or in part, the pledge and security provided for in  
370 section 8-134, 8-192, 32-227 or this section, all on such terms and  
371 conditions, including such agreements with the municipality and the  
372 developer of the project, as the corporation determines to be  
373 appropriate in the circumstances, provided any such project in an area  
374 designated as an enterprise zone pursuant to section 32-70 receiving  
375 such financial assistance shall be ineligible for any fixed assessment  
376 pursuant to section 32-71, and the corporation, as a condition of such  
377 grant, loan or other financial assistance, may require the waiver, in  
378 whole or in part, of any property tax exemption with respect to such  
379 project otherwise available under subsection (59) or (60) of section 12-  
380 81.

381 (d) As used in this section, "bonds" means any bonds, including  
382 refunding bonds, notes, temporary notes, interim certificates,  
383 debentures or other obligations; "legislative body" has the meaning  
384 provided in subsection (w) of section 32-222; and "municipality" means  
385 a town, city, consolidated town or city or consolidated town and  
386 borough.

387 (e) For purposes of this section, references to Connecticut  
388 Innovations, Incorporated, shall include any subsidiary of Connecticut  
389 Innovations, Incorporated, established pursuant to section 32-11e, and  
390 a municipality may act by and through its implementing agency, as  
391 defined in subsection (k) of section 32-222.

392 (f) In the case of a remediation project, as defined in subsection (gg)  
393 of section 32-23d, that involves buildings that are vacant, underutilized  
394 or in deteriorating condition and as to which municipal real property  
395 taxes are delinquent, in whole or in part, for more than one fiscal year,

396 the amount determined in accordance with subdivision (1) of  
397 subsection (b) of this section may, if the resolution of the municipality  
398 so provides, be established at an amount less than the amount so  
399 determined, but not less than the amount of municipal property taxes  
400 actually paid during the most recently completed fiscal year. If  
401 Connecticut Innovations, Incorporated, issues bonds for the  
402 remediation project, the amount established in the resolution shall be  
403 used for all purposes of subsection (a) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	SA 07-6, Sec. 1(b)(3)
Sec. 2	<i>July 1, 2013</i>	New section
Sec. 3	<i>July 1, 2013</i>	New section
Sec. 4	<i>July 1, 2013</i>	32-23zz

***Statement of Purpose:***

To provide for staggered terms for directors of the Harbor Point district in Stamford, to ensure a gradual turnover in the governing body of the district and to allow a municipality to include incremental personal income taxes and sales and use taxes as part of the financing plan for a development or redevelopment project.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*